

As the former Managing Partner of Scottsbluff Networx/Panhandle Networx/Inventive Media, I had the distinct displeasure of dealing with uncooperative phone companies that receive the USF subsidies and do little to improve the quality of service in rural areas.

The arguments made by the telephone companies that are used to justify the maintenance of the USF are specious at best. The equipment in service in our areas is generally older than the front-line equipment used in urban areas. The copper plant in the rural areas that we serve has also been in the ground for decades, and was capitalized a long time ago. The baby-bells in our area have also moved employees and technicians out of our areas to centralized service centers that do not provide the same level of service and accountability that was available when local offices were open and the companies took an effort to deal directly with customers rather than hiding behind a phone line and piles of bureaucratic corporate paperwork.

It was disgusting to me that my company was contributing hundreds and thousands of dollars a month to the USF for the phone lines that we used to provide our business, and that this money was not going to improve the poor level of service that our area receives.

I would also like to point out that smaller, independent telephone companies that receive USF funds are often competing with independent ISPs that do not. One smaller independent phone company in my area that receives USF funds also runs an ISP division that continually underprices the private ISPs in our area.

In the time that I ran my ISP business, we brought broadband connectivity to 12 communities in Western Nebraska utilizing DSL and wireless technologies. Some of these communities have populations as small as 800 persons. I did not receive a single dime of USF funding to do this. During this time, the USF supported phone companies in my area made little or no effort to bridge the "digital-divide" to our towns and were often hostile toward the efforts we were making to improve the economic climate of our rural areas. I have sat in several community meetings with people concerned about the poor quality of telecommunications services that we are subject to, and listened to examples of how much money their poor service is actually costing us. At this time, NONE of the baby bells in my area are offering broadband options other than ISDN, while several smaller operators are successfully providing broadband access WITHOUT any USF support.

It is my opinion that the USF should be eliminated. Smaller operations like my own and many others across the country are finding a way to bring technology to these areas without USF funding, so the phone companies should be able to do the same.

If the USF is not eliminated, I would hope that the paperwork requirements and access to funds for smaller operations are changed to provide a fair environment that benefits ALL parties involved, not just the bigger players.